

Housing market treads water in September

- Average prices £200 lower than in August
- South West suffers reverse
- Lower mortgage rates to benefit southern England

House Price	Index*	Monthly Change %	Annual Change %	Annual % (excluding London and the SE)
£353,958	360.4	-0.1	-3.3	-2.8

- see Footnote 5 at end of this report

Richard Sexton, Director at e.surv, comments:

“Our data this month reveals a mixed picture for the market in September with the average sale price of a home in England and Wales down marginally at £354,000 – about £200 or 0.1% lower than in August.

The continued negative monthly changes since March, though small, have undermined the gradually improving year-on-year picture seen earlier with the effect that, on an annual basis, average prices in September are about 3.3% lower than a year ago.

The negligible small reduction in prices reflects the mixed news for housing in the broader economy. While the cost-of-living pressures have eased for many households and falls in mortgage rates have helped affordability, the falls in interest rates predicted at the beginning of the year have not really materialised. The General Election, Euros and Olympics, all contributed to flat growth in the broader economy and likely took its toll on the housing market.

On the horizon is the budget and while there is little expectation of help for buyers, there is a clear expectation from government announcements to date of tax rises that will impact them. This is likely to be especially true for vital first-time buyers who are often supported by the Bank of Mum and Dad.”

The housing market in September

In September, the average sale price of a home in England and Wales was down marginally at £354,000 – about £200 or 0.1% lower than in August.

Table 1. Average House Prices in England and Wales for the year to September 2024

Month	Year	Property Price	Index*	Monthly % change	Annual % change
Sep	2023	£366,204	372.9	0.1	-3.1
Oct	2023	£365,612	372.3	-0.2	-3.6
Nov	2023	£362,399	369.0	-0.9	-4.1
Dec	2023	£362,572	369.2	0.0	-4.0
Jan	2024	£363,283	369.9	0.2	-3.7
Feb	2024	£365,304	372.0	0.6	-3.1
Mar	2024	£363,819	370.5	-0.4	-3.0
Apr	2024	£363,376	370.0	-0.1	-2.3
May	2024	£362,530	369.2	-0.2	-2.0
Jun	2024	£359,877	366.5	-0.7	-2.0
Jul	2024	£356,277	362.8	-1.0	-2.7
Aug	2024	£354,163	360.6	-0.6	-3.2
Sep	2024	£353,958	360.4	-0.1	-3.3

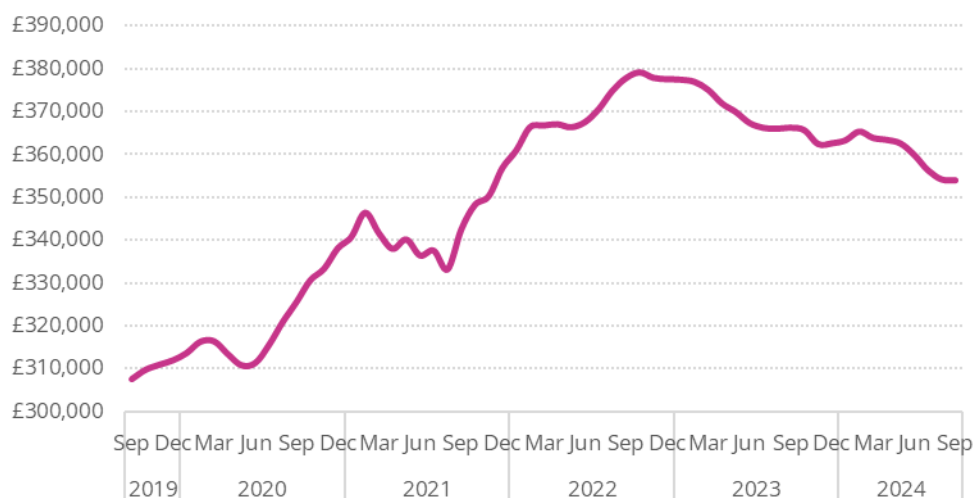
• see Footnote 5 at end of this report

Average prices have nudged lower since March. Although the monthly changes are for the most part relatively small, they have undermined the gradually improving year-on-year picture seen earlier.

On an annual basis, average prices in September are about 3.3% lower than a year ago.

Figure 1. Downward pressure on prices may be ending

E&W prices, last 5 years

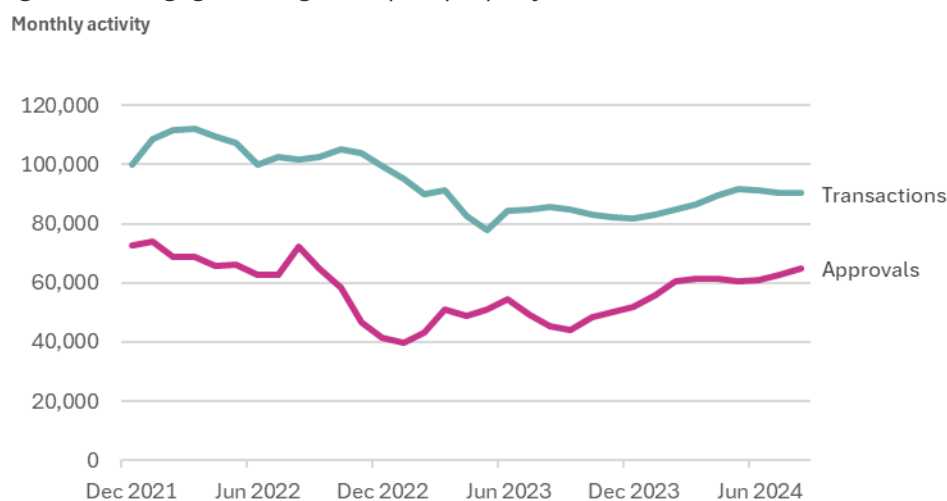


Despite earlier optimism on our part, prices have yet to move onto a reassuringly positive trajectory, as Figure 1 shows. For England and Wales as a whole prices are about £25,000 (nearly 7%) below the previous peak reached in October 2022.

Whilst our e.surv index indicates that prices continue to be subdued, generally speaking market conditions are improving.

Cost-of-living pressures have progressively eased for many households and falls in mortgage rates have helped affordability and market sentiment. Mortgage approvals are at their strongest level for two years. More competitive mortgage deals have helped to stimulate stronger sales (see Figure 2). That said, prices have remained in check because ongoing pressure on household finances means that buyers remain highly price-sensitive. Also, more vendors have offered their properties for sale in the face of stronger housing demand.

Figure 2. Mortgage lending underpins property sales in 2024



With mortgage lenders continuing to launch lower-priced deals and financial markets anticipating further base rate cuts before year-end, this points towards a market that is poised to move forward over the short-term. Lower rates are likely to be particularly beneficial in the higher-priced markets such as London and the South East, and this may unlock a stronger pick-up in house prices at the national level.

At the same time the Chancellor announces her Budget Statement on 30 October. With housing earmarked as a major plank of Government policy, this has the potential to further strengthen rising market trends. It is evident that explorations continue on what more can be done to help first time buyers but of course in the end what emerges will depend on what priority that is given over other pressing matters.

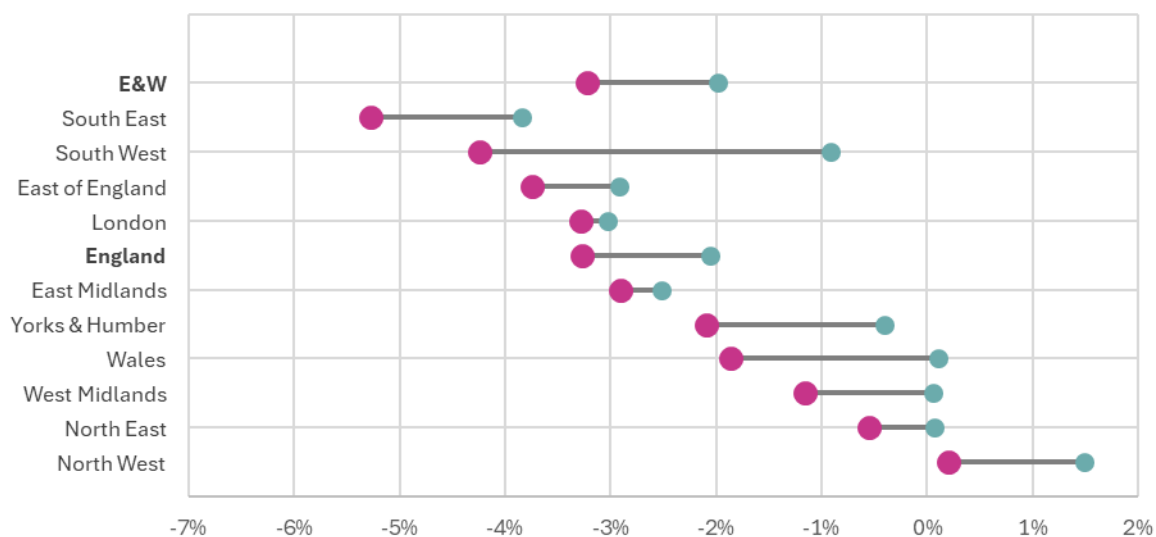
Alongside this, the Government is expected to unveil a number of fiscal measures, including tax increases for some households and businesses, and this has created a degree of uncertainty beforehand. We will explore the ramifications for the housing market in our next report.

As our commentary has highlighted the housing market in England and Wales continues to be subject to an array of positive and negative pressures. Affordability while improving remains stretched and although mortgage pricing and availability continue to improve, many households are still under pressure. Mortgage approvals have been rising and transactions are holding up even though there is some evidence of price reductions on a portion of completed sales.

What is very clear is that this market has passed the bottom of the trough and poised to move forward albeit on a varying basis month by month.

The English Regions and Wales

Figure 3. Annual house price inflation compared, May 2024 and August 2024



Note: Figures are calculated on a rolling three-month basis centred on the middle month, compared with year-earlier periods.

The softer tone for house prices over recent months has been reflected across most parts of the UK.

Figure 3 shows **annual** house price inflation for England and its regions and Wales in August 2024 (pink circles) and **three months** earlier (blue circles).

The big take-away is that prices have been a little more subdued across most of England and Wales, with annual price inflation negative in all regions except for the North West and prices falling by more than three months earlier. Southern England continues to trail other areas, and the South West stands out for having seen a particularly sharp reverse.

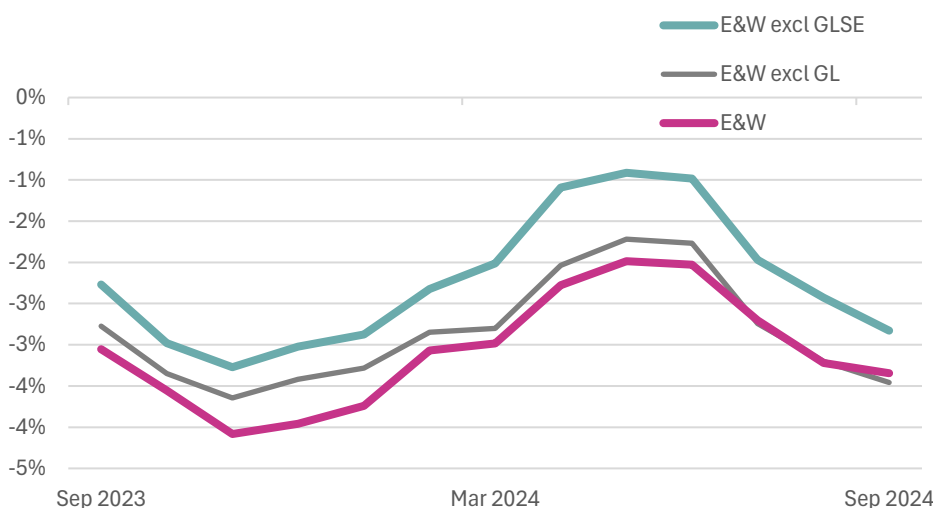
Table 2. Average Prices in the English regions and Wales, August 2024

Geography	Aug 2023	Jul 2024	Aug 2024	Monthly % chg	Annual % chg
East Midlands	£276,071	£267,994	£268,049	0.0%	-2.9%
East of England	£400,486	£386,562	£385,483	-0.3%	-3.7%
London	£696,171	£681,692	£673,289	-1.2%	-3.3%
North East	£194,831	£194,276	£193,762	-0.3%	-0.5%
North West	£247,360	£248,079	£247,849	-0.1%	0.2%
South East	£464,188	£442,856	£439,694	-0.7%	-5.3%
South West	£367,998	£355,685	£352,406	-0.9%	-4.2%
West Midlands	£285,195	£282,715	£281,887	-0.3%	-1.2%
Yorkshire and The Humber	£244,041	£239,775	£238,935	-0.4%	-2.1%
England	£372,713	£362,778	£360,539	-0.6%	-3.3%
Wales	£240,480	£235,788	£235,990	0.1%	-1.9%
E&W	£365,944	£356,277	£354,163	-0.6%	-3.2%

The headline 3.3% year-on-year decrease in house prices seen across England and Wales in **September** would shrink to 2.8% if we exclude London and the South East. In recent months London has had a neutral impact as annual price changes in the capital have closely matched the headline figure. By contrast, the South East has been a significant drag, depressing the performance of the overall market by 1% in some months (see Figure 4). The East of England, and more recently the South West, are also undermining overall price movements. With prices in these regions and London still 7-9% below their peak levels, there is potential for the national picture to improve materially as the impact of lower mortgage rates on affordability works through.

Figure 4. South East drags England & Wales lower

Annual % change in prices



About the e.surv Acadata House Price Index

1. The e.surv Acadata House Price Index is produced by Acadata, a consultancy specialising in house price data.
2. The index is based on the **actual** prices at which residential properties in England and Wales are transacted, including prices for properties bought with cash. Based upon HM Land Registry reporting, such data typically represents the vast majority of all relevant transactions. As such, our figures stand out from those based on mortgage-based sales only, asking prices or prices based upon smaller samples.
3. The initial e.surv Acadata House Price Index for each month, employs an academic “index of indices” model, custom-built at Cambridge, to address smaller but still material sampling levels.
4. Our property prices and indices are calculated on a seasonal- and mix-adjusted basis. All e.surv Acadata House Price Index results are subject to change, for example when HM Land Registry publishes updated figures.
5. In June 2024 we made extensive one-off revisions to our entire dataset of Index figures so that they are now fully consistent with our published house price data. The cumulative nature of these revisions means that for April 2024 our revised Index figure is 6% higher than previously reported. Our methodology for estimating house prices has not changed.
6. Our indices reflect our best endeavours and are issued in good faith without any claim as to precision, accuracy or fitness for any purpose. They may not be used for commercial purposes without written permission from Acadata.
7. For longer time series of the data highlighted in this report and an interactive table comparing national and regional price metrics over time, please contact Acadata via its [website](#).

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e.surv is the UK’s largest valuation provider, directly employing over 600 residential surveyors across the UK, supported by a network of consultant valuers.

The business is appointed as Panel Manager for more than 20 mortgage lenders and other entities with interests in residential property, and also provides a number of private survey products direct to the home-buying public.

e.surv is part of [LSL Property Services](#) plc which includes household names Your Move, Reeds Rains and PRIMIS.

For further information, please visit our website: www.esurv.co.uk

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